

Message Text

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ACTION EB-07

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TAGS: ETRD, OECD, UK, CA, FR, FRG

SUBJ: ANTITRUST: URANIUM PRODUCER'S CARTEL

REF: STATE 163113

1. FOLLOWING EXCHANGE TOOK PLACE IN HOUSE OF COMMONS
JULY 9:

LIBERAL M.P. HERB GRAY: QUOTE. IN VIEW OF THE FACT THAT
CANADIAN PRODUCTION, SALE AND EXPORT OF URANIUM ARE
UNDER FEDERAL JURISDICTION AND REGULATION AND THAT TWO
OF THE CANADIAN PRODUCERS ARE FEDERAL CROWN CORPORATIONS,
WHAT IS THE GOVERNMENT DOING TO PREVENT POSSIBLE EXTRA-
TERRITORIAL APPLICATION OF UNITED STATES LAW WITHIN
CANADA ARISING OUT OF THE CURRENT INVESTIGATION BY U.S.
ANTI-TRUST AUTHORITIES INTO THE AFFAIRS OF URANIUM
PRODUCERS BOTH INSIDE AND OUTSIDE THE UNITED STATES?
IN ADDITION, COULD HE OR THE MINISTER OF CONSUMER AND
CORPORATE AFFAIRS TELL US WHETHER THE GOVERNMENT WAS
FORMALLY NOTIFIED BY U.S. AUTHORITIES IN ADVANCE OF THEIR
INVESTIGATION AS IS PROVIDED FOR IN SEVERAL AGREEMENTS
BETWEEN THE UNITED STATES AND CANADA? END QUOTE.
FINANCE MINISTER DONALD MACDONALD: QUOTE. PERHAPS I
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CAN REPLY ON BEHALF OF MY COLLEAGUE, THE MINISTER OF

ENERGY, MINES AND RESOURCES. I WOULD SIMPLY CONFIRM HIS VIEWPOINT AND MINE, AS EXPRESSED BY THE HON. GENTLEMAN, THAT THE UNITED STATES ANTI-TRUST ADMINISTRATION SHOULD IN NO SENSE SEEK TO EXPORT ITS ANTI-TRUST LAW INTO CANADA AND THAT AN ATTEMPT TO DO SO WILL BE AN UNACCEPTABLE COURSE OF ACTION. IN THIS CONTEXT, THE GOVERNMENT OF CANADA RECENTLY HAD AN OPPORTUNITY TO MAKE ITS VIEWS KNOWN IN WASHINGTON, AND I WOULD BE GLAD TO CONFIRM WITH THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS THAT HE HAS BEEN IN COMMUNICATION WITH WASHINGTON AS WELL IN RELATION TO URANIUM. QUOTE.

2. CANADIAN PRESS WIRE SERVICE QUOTED UNIDENTIFIED EX-TAFF SPOKESMAN AS SAYING: QUOTE ... THE GOVERNMENT HAS BEEN CAUTIOUS IN ITS APPROACH TO THE ISSUE BECAUSE IT DOES NOT WANT TO APPEAR TO BE INTERFERING IN A GRAND JURY INVESTIGATION IN ANOTHER COUNTRY.

BUT HE SAID THE INVOLVEMENT OF NON-U.S. FIRMS IN A CONSPIRACY IS SURPRISING IN VIEW OF AN EMBARGO WHICH CLOSED THE AMERICAN MARKET TO FOREIGN PRODUCERS. THE U.S. SUBSIDIARIES OF THE TWO COMPANIES WOULD FALL UNDER AMERICAN LAW, HE ADDED.

THE SPOKESMAN SAID THERE MIGHT BE A PROBLEM INVOLVED IF THE U.S. INVESTIGATORS ASKED FOR CANADIAN DOCUMENTS. HE ADDED THE SUBPOENAS COULD NOT BE ENFORCED IN CANADA FOR EITHER WITNESSES OR DOCUMENTS. END QUOTE.

3. FINANCIAL TIMES OF JULY 9 REPORTED THAT EXECUTIVES OF DENISON MINES AND RIO ALGOM HAVE BEEN SUBPOENAED IN THEIR CAPACITY AS OFFICERS OF THEIR RESPECTIVE U.S. SUBSIDIARIES.

4. WE NOTIFIED BLACKBURN (TRANSPORT, COMMUNICATIONS AND ENERGY DIV., EX-TAFF) AND BERTRAND (DIRECTOR, BUREAU OF COMPETITION POLICY, CONSUMER AND CORPORATE AFFAIRS) OF JUSTICE DEPARTMENT'S INTENTION TO ISSUE SUBPOENAS AS INSTRUCTED IN REFTEL. THUS FAR WE HAVE NOT RECEIVED ANY DIRECT COMMENTS OR REACTIONS FROM EITHER DEPARTMENT. LIMITED OFFICIAL USE

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5. EMBASSY WOULD APPRECIATE BEING DEPT INFORMED ABOUT FURTHER U.S. DEVELOPMENTS IN THIS ANTI-TRUST ACTION. ENDERS

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